

**For discussion on
21 November 2006**

**Legislative Council Subcommittee to Study
Shipping and Port Control (Ferry Terminals) (Amendment)
Regulation 2004 (Commencement) Notice**

PURPOSE

This paper sets out the latest position in regard to the planning and operation of the Tuen Mun Ferry Terminal (TMFT).

BACKGROUND

2. Over the past few years, there were suggestions regarding the need for a third cross-boundary passenger ferry terminal in Tuen Mun. As the two existing cross-boundary ferry terminals¹ still have spare capacity to meet future increase in passenger demand, we did not consider it justifiable to commit public funds to build a third cross-boundary ferry terminal.

3. However, some private sector firms expressed interest in converting part of Tuen Mun Ferry Pier to operate cross-boundary ferry services. As the proposal was strongly supported by the Legislative Council Panel on Transport, we agreed to lease out part of the Tuen Mun Ferry Pier to the private sector for this purpose. After an open tender exercise, we signed a tenancy agreement in December 2003 with Hong Kong North West Express Limited (the tenant) for the occupation, modification and use of part of the Tuen Mun Ferry Pier to operate the TMFT for cross-boundary ferry services.

4. Various Government departments had been facilitating the tenant's work, such as expediting the vetting of its building plans, meeting with it regularly, reminding it of the areas that require special attention, providing advice on the modifications, etc. Concerned departments had also been carrying out the necessary preparatory work, including staff arrangement and procurement of equipment, in tandem with the tenant's commissioning programme.

¹ They are the Macau Ferry Terminal in Sheung Wan and the China Ferry Terminal in Tsim Sha Tsui. They have a total handling capacity of 26 million each year. The actual throughput from 2000 to 2005 ranges from 16.6 million to 19.5 million per year, representing a utilization rate of 64 – 75%.

5. The tenant's tentative programme then was to complete the pier modification works and start to provide ferry services to Macau by the end of 2004. There were however subsequent changes to the programme, due to the need to amend some building plans in 2004, changes in the tenant's shareholding and management structure in 2005, and the tenant's replacing its contractor for the modification works in 2006.

LATEST DEVELOPMENT

6. The tenant's pier modification works have been substantially completed in late October 2006. It therefore decided to commission the TMFT on 3 November 2006. The tenant has indicated that it would initially operate a ferry route between Tuen Mun and Zhuhai (Jiuzhou Port) with two return trips each day. It has also indicated that it will scale up the service gradually, and that it is seeking Macau Special Administrative Region Government's permission to operate ferry services to Macau.

7. On the legislation front, the Shipping and Port Control (Ferry Terminals) (Amendment) Regulation 2004, the Immigration (Places of Detention) (Amendment) Order 2004 and the Immigration Services (Designated Places) (Amendment) Order 2004 have taken effect from 3 November 2006.

ADVICE SOUGHT

8. Members are invited to note the latest progress of the project.

Environment, Transport and Works Bureau
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